



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
MONROE COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 1999

**EDWARD B. HATCHETT, JR.
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Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Russell Young, Monroe County Judge/Executive

Members of the Monroe County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Monroe County, Kentucky, as of June 30, 1999, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Monroe County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Monroe County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Monroe County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1999, in conformity with the cash basis of accounting described above.

To the People of Kentucky
Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Mike Haydon, Secretary, Revenue Cabinet
Honorable Russell Young, Monroe County Judge/Executive
Members of the Monroe County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of Monroe County, Kentucky, taken as a whole. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated March 9, 2000, on our consideration of Monroe County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
March 9, 2000

MONROE COUNTY OFFICIALS

June 30, 1999

Russell Young	County Judge/Executive
Douglas Carter	County Attorney
Teresa Sheffield	County Clerk
Joyce Emberton	Circuit Court Clerk
Jerry Gee	Sheriff
Freddie Kirkpatrick	Jailer
Gerald Hume	Property Valuation Administrator
Sheryl Conkin	County Treasurer
William Smith	Coroner
Alonzo Ford	Magistrate
Bill Ferguson	Magistrate
Maxie Harlan	Magistrate
Ronnie Hollinsworth	Magistrate
James Carl Gill	Magistrate

STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

MONROE COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1999

Assets

General Fund:	
Cash	\$ 403,246
Road and Bridge Fund:	
Cash	331,384
Jail Fund:	
Cash	14,641
Jail Commissary Fund:	
Cash	1,683
Local Government Economic Assistance Fund:	
Cash	8,797
Monroe County Fire and Rescue Squad Fund:	
Cash	<u>10,679</u>
Total Assets	<u><u>\$ 770,430</u></u>

Liabilities and Fund Balances

<u>Liabilities</u>	\$ 0
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Fund Balances

Reserved:	
Jail Commissary Fund	1,683
Monroe County Fire and Rescue Squad Fund	10,679
Unreserved:	
General Fund	403,246
Road and Bridge Fund	331,384
Jail Fund	14,641
Local Government Economic Assistance Fund	<u>8,797</u>
Total Fund Balances	<u><u>\$ 770,430</u></u>

The accompanying notes are an integral part of the financial statements.

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STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

MONROE COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1999

<u>Cash Receipts</u>	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
Schedule of Operating Revenue	\$ 2,698,214	\$ 1,271,018	\$ 1,175,881	\$ 95,651
Transfers In	295,028	73,665		190,000
Borrowed Money	66,270		66,270	
Jail Commissary Fund Receipts	<u>22,252</u>			
Total Cash Receipts	<u>\$ 3,081,764</u>	<u>\$ 1,344,683</u>	<u>\$ 1,242,151</u>	<u>\$ 285,651</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 2,245,618	\$ 850,177	\$ 951,911	\$ 285,354
Schedule of Other Expenditures	38,616			
Transfers Out	295,028	221,363	45,555	
Bonds:				
Principal Paid	25,000			
Interest Paid	888			
Borrowed Money Repaid	66,270		66,270	
Jail Commissary Fund Expenditures	<u>21,072</u>			
Total Cash Disbursements	<u>\$ 2,692,492</u>	<u>\$ 1,071,540</u>	<u>\$ 1,063,736</u>	<u>\$ 285,354</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 389,272	\$ 273,143	\$ 178,415	\$ 297
Cash Balance - July 1, 1998*	<u>381,158</u>	<u>130,103</u>	<u>152,969</u>	<u>14,344</u>
Cash Balance - June 30, 1999	<u>\$ 770,430</u>	<u>\$ 403,246</u>	<u>\$ 331,384</u>	<u>\$ 14,641</u>

* Cash Balance Includes Investments

The accompanying notes are an integral part of the financial statements.

MONROE COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 1999
(Continued)

Jail Commissary Fund	Local Government Economic Assistance Fund	Kentucky Community Development Block Grant	Public Jail Properties Corporation Bond Fund	Monroe County Fire and Rescue Squad Fund
\$	\$ 23,406	\$ 117,681	\$ 1,247	\$ 13,330
				31,363
22,252				
\$ 22,252	\$ 23,406	\$ 117,681	\$ 1,247	\$ 44,693
\$	\$ 40,495	\$ 117,681	\$	\$
				38,616
			28,110	
			25,000	
			888	
21,072				
\$ 21,072	\$ 40,495	\$ 117,681	\$ 53,998	\$ 38,616
\$ 1,180	\$ (17,089)	\$ 0	\$ (52,751)	\$ 6,077
503	25,886		52,751	4,602
\$ 1,683	\$ 8,797	\$ 0	\$ 0	\$ 10,679

MONROE COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Monroe County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the criteria stated in GASB 14, management has included the Jail Commissary Fund, Public Jail Properties Corporation Bond Fund, and the Monroe County Fire and Rescue Squad as part of the reporting entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Monroe County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk, investments exclude certificates of deposit.

MONROE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 1999
 (Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. The county entered into a written agreement with the depository institution and met requirements (a), (b), and (c) stated above. However, as of December 18, 1998, the collateral and FDIC insurance together did not equal or exceed the amount on deposit, leaving \$11,099 of public funds uninsured and unsecured.

The county's deposits are categorized below to give an indication of the level of risk assumed by the county as of December 18, 1998.

	<u>Bank Balance</u>
Insured or collateralized with securities held by pledging depository institution in the county's name	\$ 1,000,000
Uncollateralized and uninsured	<u>11,099</u>
Total	<u><u>\$ 1,011,099</u></u>

MONROE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 1999
 (Continued)

Note 3. Lease-Purchase Agreement

The county has entered into the following lease-purchase agreement:

Description	Annual Payment	Term of Agreement	Ending Date	Principal Balance 6/30/1999
Fire Truck and Equipment	\$ 15,665	10 years	04/15/05	\$ 74,234

Note 4. Related Party Transactions

Tommy Willet is the son-in-law of Russell Young, County Judge/Executive. Tommy Willet is part owner of Pure Drug. The county purchased medical services such as prescriptions from Pure Drug. The county spent \$2,844 at Pure Drug during fiscal year 1999. These transactions with Pure Drug do not appear to violate Monroe County's ethics code.

Ronnie Hollinsworth is a magistrate. He is half owner of Travco Oil. The County purchased gasoline from Travco Oil. The county spent \$1,480 at Travco Oil during fiscal year 1999 for transporting prisoners. Jail personnel use Travco Oil to purchase gasoline because Travco Oil is the only gas station in town that is open twenty-four hours. These transactions with Travco Oil do not appear to violate Monroe County's ethic code.

Note 5. Litigation

In April 1998, the Monroe County Attorney, on behalf of the Monroe County Fiscal Court and Monroe County Taxing Districts, filed a lawsuit against the former Monroe County Sheriff Beverly McClendon and his bonding company, Ohio Farmers Insurance Company. This lawsuit seeks to recover the deficit of \$180,726 in the former Sheriff's tax account. On March 31, 1999, this lawsuit was amended to include the deficit of \$64,973 in the former Sheriff's fee account. This lawsuit is currently pending in the Monroe County Circuit Court.

Note 6. Subsequent Events

As of August 25, 1999, the Monroe County Fire and Rescue Squad was liable for a secured note payable to Peoples Bank of Tompkinsville in the amount of \$13,928. Purpose of this note is for the purchase of a 1995 Ford Truck. The note matures on demand and the interest rate is 7.75 percent. The Monroe County Fire and Rescue Squad is in compliance with the terms of the agreement as of March 9, 2000.

COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

MONROE COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1999

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
General Fund	\$ 996,471	\$ 1,271,018	\$ 274,547
Road and Bridge Fund	1,023,153	1,175,881	152,728
Jail Fund	75,345	95,651	20,306
Local Government Economic Assistance Fund	17,363	23,406	6,043
Kentucky Community Development Block Grant Fund	<u>150,000</u>	<u>117,681</u>	<u>(32,319)</u>
Totals	<u>\$ 2,262,332</u>	<u>\$ 2,683,637</u>	<u>\$ 421,305</u>
<u>Reconciliation</u>			
Total Budgeted Operating Revenue Above			\$ 2,262,332
Add: Budgeted Prior Year Surplus			323,300
Less: Other Financing Uses			<u>(102,198)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures			<u>\$ 2,483,434</u>

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SCHEDULE OF OPERATING REVENUE

MONROE COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1999

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<hr/>				
Revenue From Local Taxes <u>and Excess Fees</u>				
Taxes:				
Sheriff - 1998 Taxes	\$ 197,564	\$ 197,564	\$	\$
Monroe County Tax Project-				
1997 Taxes	150,857	150,857		
County Clerk:				
Deed Transfer Tax	20,953	20,953		
Occupational Licenses	242	242		
Delinquent Taxes	3,186	3,186		
Excess Fees - 1998	26,493	26,493		
Bank Deposit Franchises	28,842	28,842		
Tangible Personal Property Taxes:				
Other Counties	3,561	3,561		
County Clerk	38,130	38,130		
Omitted	2,929	2,929		
Occupational Employment Tax	432,403	432,403		
In Lieu of Taxes:				
Tennessee Valley Authority	17,811	17,811		
Telephone 911 Fee	89,293	89,293		
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	<u>\$ 1,012,264</u>	<u>\$ 1,012,264</u>	<u>\$ 0</u>	<u>\$ 0</u>
 <u>Federal Receipts - State Treasurer</u>				
Disaster and Emergency Assistance Grants -				
Coordinator Salary	\$ 1,200	\$ 1,200	\$	\$
1997 Severe Weather	15,081		15,081	
Community Development Block Grant - Resource Center Project	117,681			
Federal Disaster and Emergency Services/Emergency Management Agency Reimbursement	5,905		5,905	
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	<u>\$ 139,867</u>	<u>\$ 1,200</u>	<u>\$ 20,986</u>	<u>\$ 0</u>

MONROE COUNTY
SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

[illegible]

MONROE COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer</u>				
Jail:				
Allotments	\$ 45,301	\$	\$	\$ 45,301
Medical Allotments	3,544			3,544
Driving Under The Influence Fees	1,707			1,707
Housing State Prisoners	33,640			33,640
Bailiff Fees	1,784			1,784
County Road Aid	640,198		640,198	
Truck License Distribution	161,449		161,449	
Election Expense Reimbursement	6,120	6,120		
Courthouse Rental - Administrative				
Office of the Courts	74,215	74,215		
Refunds:				
Legal Process Taxes	67	67		
Drivers Licenses	1,154		1,154	
Severance Taxes:				
Mineral	22,711			
Board of Assessments	150	150		
Grants:				
Capital Construction Grant-				
Fire Departments	65,000	65,000		
Disaster and Emergency				
Assistance Grant-				
1997 Severe Weather	6,898		6,898	
Emergency Medical Grant	2,995	2,995		
Fire Department State - Aid	6,800			
Transportation Cabinet Grant	270,000		270,000	
Totals	\$ 1,343,733	\$ 148,547	\$ 1,079,699	\$ 85,976

MONROE COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

Local Government Economic Assistance Fund	Kentucky Community Development Block Grant Fund	Public Jail Properties Corporation Bond Fund	Monroe County Fire and Rescue Squad Fund
\$	\$	\$	\$
22,711			
			6,800
<u>\$ 22,711</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,800</u>

MONROE COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Miscellaneous Revenue</u>				
Interest	\$ 21,494	\$ 7,769	\$ 11,152	\$ 631
Circuit Court Clerk:				
Jail Cost	3,495			3,495
Security Service Fees	1,735			1,735
Work Release	60			60
Jail Bond Acceptance Fees	2,200			2,200
Monroe County Tax Project-				
Tax Commissions on 1997 Taxes	33,186	33,186		
Licenses and Permits:				
Cable TV Franchise	9,162	9,162		
Charges for Services:				
Garbage Collection	42,812	42,812		
Fire Runs	4,760	4,760		
Donations	6,530			
Insurance Reimbursement	64,000		64,000	
Miscellaneous Items	12,916	11,318	44	1,554
Totals	\$ 202,350	\$ 109,007	\$ 75,196	\$ 9,675
Total Operating Revenue	\$ 2,698,214	\$ 1,271,018	\$ 1,175,881	\$ 95,651

MONROE COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

Local Government Economic Assistance Fund	Kentucky Community Development Block Grant Fund	Public Jail Properties Corporation Bond Fund	Monroe County Fire and Rescue Squad Fund
\$ 695	\$	\$ 1,247	\$
			6,530
\$ 695	\$ 0	\$ 1,247	\$ 6,530
\$ 23,406	\$ 117,681	\$ 1,247	\$ 13,330

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COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

MONROE COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1999

	<u>Final Budget</u>	<u>Budgeted Expenditures</u>	<u>Under (Over) Budget</u>
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 52,589	\$ 52,589	\$
Deputy County Judge/Executive	20,500	20,500	
Office Materials and Supplies	4,546	4,546	
Other Materials and Supplies	2,000	1,722	278
Registrations, Conferences, and Training	4,298	4,298	
Office of County Attorney:			
Salaries-			
County Attorney	15,000	15,000	
Secretaries	11,378	11,378	
Office Materials and Supplies	3,657	3,657	
Office of County Clerk:			
Office Materials and Supplies	18,666	18,666	
Tax Bill Preparation	4,000	913	3,087
Office of Sheriff:			
Deputy Salary	2,872	2,872	
Sheriff Expenses	21,655	21,655	
Accounting Services	2,455	2,455	
Office of County Coroner:			
Salaries-			
County Coroner	7,200	7,200	
Deputy Coroner	3,600	3,600	
Autopsies and Attendant Service	4,000	2,404	1,596
Materials and Supplies	3,218	3,218	
Fiscal Court:			
Magistrates-			
Salaries	25,500	25,500	
Expense Allowance	18,000	18,000	
Advertising	5,845	5,845	

MONROE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Office of Property Valuation Administrator:			
Statutory Contribution	\$ 9,300	\$ 9,300	\$
Office of Board of Assessment Appeals:			
Per Diem	300	300	
Office of County Treasurer:			
County Treasurer Salary	20,500	20,500	
Office of Tax Administration:			
Salaries-			
Occupational Tax Director	18,450	18,450	
Property Tax Collection Staff	4,000	4,000	
Office Materials and Supplies	1,500	1,291	209
Refunds	2,000	620	1,380
County Law Library:			
Law Librarian Salary	1,200	1,200	
Elections:			
Per Diem-			
Election Commissioners	1,000	660	340
Election Officers	7,060	7,060	
Maintenance and Repairs-			
Voting Machines	1,200	1,200	
Printing, Stationery, and Forms	7,971	7,971	
Economic Development:			
Water Tower	10,000	10,000	
Courthouse:			
Salaries-			
Dispatcher	7,500	7,300	200
Janitors	19,062	19,062	
Maintenance and Repair Services-			
Building	34,065	34,065	
Elevator Maintenance	4,000	3,795	205

MONROE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Courthouse: (Continued)			
Custodial Supplies	\$ 6,096	\$ 5,816	\$ 280
Telephone	15,000	14,717	283
Utilities	35,000	33,818	1,182
<u>Protection to Persons and Property</u>			
County Fire Department:			
Principal on Lease	9,636	9,636	
Interest on Lease	6,030	6,029	1
Contributions	40,000	40,000	
Miscellaneous	3,406	3,406	
Disaster and Emergency Services:			
Director Salary	2,400	2,400	
Program Support	200	103	97
Travel	300	215	85
Ambulance Service:			
State Grant - Contributions	2,995	2,995	
Emergency Dispatch Service:			
Contracts with Private Agencies	90,000	89,170	830
Office of Public Defender:			
Mandated Program Support	1,425	1,425	
<u>General Health and Sanitation</u>			
Dog Control:			
Contracts with Government Agencies	3,500	3,370	130
Solid Waste Collection:			
Coordinator Salary	15,500	14,992	508
Consultants	2,000		2,000
Lease Payments - Transfer Station	25,000	25,000	

MONROE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Health and Sanitation</u> (Continued)			
Solid Waste Collection: (Continued)			
Utilities	\$ 3,000	\$ 2,287	\$ 713
Transporting and Landfill Use	61,193	61,193	
<u>Social Services</u>			
Service to Indigents:			
Pauper Burials	1,000		1,000
Senior Citizens Program:			
Maintenance and Repair Services-			
Building	1,000	836	164
Utilities	2,000	1,924	76
<u>Recreation and Culture</u>			
Parks:			
Contribution	30,000		30,000
<u>Administration</u>			
General Services:			
Audit Services	15,000	8,326	6,674
Bank Charges	100	51	49
Contribution	15,000	8,400	6,600
Insurance - Buildings and Contents	47,000	35,324	11,676
Insurance - Premium on Fidelity and			
Surety Bonds	6,233	5,996	237
Memberships	10,000	9,887	113
Miscellaneous	4,772	4,257	515
Contingent Appropriations:			
Reserve for Transfers	14,267		14,267

MONROE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Administration</u> (Continued)			
Fringe Benefits:			
County Contributions-			
Social Security	\$ 35,000	\$ 34,711	\$ 289
Health Insurance	28,000	27,819	181
Worker's Compensation	10,000	9,826	174
Unemployment Insurance	13,456	13,456	
Total Operating Budget	\$ 935,596	\$ 850,177	\$ 85,419
Other Financing Uses:			
Transfers to Monroe County Fire and Rescue Squad Fund	31,364	31,364	
Total General Fund	\$ 966,960	\$ 881,541	\$ 85,419
<u>ROAD AND BRIDGE FUND</u>			
<u>Roads</u>			
Office of Road Supervisor/Engineer:			
Road Supervisor Salary	\$ 24,000	\$ 22,220	\$ 1,780
Road Maintenance:			
Equipment Operators Salaries	90,000	78,853	11,147
Road Labor	42,000	40,741	1,259
Road Materials	633,672	544,808	88,864
Uniforms	4,000	2,844	1,156
Machinery and Equipment - Repairs	28,048	25,903	2,145
Miscellaneous	2,152	2,149	3
Contracted Construction - Bridges	70,000	70,000	
Dump Truck	66,177	66,177	
<u>Debt Service</u>			
Borrowed Money:			
Interest	2,316	2,316	

MONROE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u> (Continued)			
<u>Capital Projects</u>			
Other Capital Projects:			
Other Equipment	\$ 79,302	\$ 79,302	\$
<u>Administration</u>			
Fringe Benefits:			
County Contributions-			
Social Security	9,200	7,732	1,468
Health Insurance	8,866	8,866	
Total Operating Budget	\$ 1,059,733	\$ 951,911	\$ 107,822
Other Financing Uses:			
Borrowed Money			
Principal	70,834	66,270	4,564
Total Road and Bridge Fund	\$ 1,130,567	\$ 1,018,181	\$ 112,386

JAIL FUND

Protection to Persons and Property

Office of Jailer:			
Personnel Services-			
Salaries-			
Jailer	\$ 45,914	\$ 45,914	\$
Jail Personnel	88,077	84,489	3,588
Bailiff	1,784	1,784	
Operations-			
Cleaning Supplies	925	889	36
Food	37,900	37,403	497
Jail Linens	800	767	33
Office Supplies	500	496	4
Pest Control	300	270	30
Routine Medical	22,366	18,604	3,762

MONROE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND</u> (Continued)			
<u>Protection to Persons and Property</u> (Continued)			
Office of Jailer: (Continued)			
Operations-(Continued)			
Telephone	\$ 2,237	\$ 2,088	\$ 149
Transporting Prisoners to Other Counties	1,875	1,875	
Utilities	18,000	17,897	103
Housing Prisoners - Other Counties	33,326	33,000	326
Miscellaneous Operating Expenses	2,200	1,590	610
Maintenance-			
Building Repairs	4,890	4,863	27
Equipment Repairs	1,769	1,702	67
Equipment-			
Food Service Equipment	500	472	28
Motor Vehicle	320	250	70
Juvenile Detention:			
Housing Prisoners - Other Counties	10,180	10,010	170
<u>Administration</u>			
General Services:			
Memberships	200	200	
Registrations, Conferences, and Training	1,387	1,387	
Fringe Benefits:			
County Contributions-			
Social Security	9,976	9,976	
Health Insurance	8,700	8,697	3
Unemployment Insurance	731	731	
Total Jail Fund	\$ 294,857	\$ 285,354	\$ 9,503

MONROE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND</u>			
<u>General Government</u>			
Economic Development:			
Industrial Park - Water Tower	\$ 40,400	\$ 40,400	\$
<u>Roads</u>			
Road Maintenance:			
Materials	2,848	95	2,753
Total Local Government Economic Assistance Fund	\$ 43,248	\$ 40,495	2,753
<u>KENTUCKY COMMUNITY DEVELOPMENT BLOCK GRANT FUND</u>			
<u>Social Services</u>			
Services to Children and Youth:			
Buildings and Construction	\$ 150,000	\$ 117,681	\$ 32,319
Total Operating Budget - All Funds	\$ 2,483,434	\$ 2,245,618	237,816
Other Financing Uses:			
Transfers to Monroe County Fire and Rescue Squad Fund	31,364	31,364	
Borrowed Money-Principal	70,834	66,270	4,564
TOTAL BUDGET - ALL FUNDS	\$ 2,585,632	\$ 2,343,252	\$ 242,380

SCHEDULE OF OTHER EXPENDITURES

MONROE COUNTY
SCHEDULE OF OTHER EXPENDITURES

Fiscal Year Ended June 30, 1999

<u>Expenditure Items</u>	<u>Monroe County Fire and Rescue Squad Fund</u>
Building Maintenance	\$ 1,603
Equipment Maintenance	484
Gas and Oil	1,617
Janitorial Supplies	106
New Equipment	26,462
Office Supplies	1,432
Radio and Pagers	2,438
Training	42
Utilities	1,245
Vehicle Maintenance	1,541
Miscellaneous	<u>1,646</u>
Total	<u>\$ 38,616</u>

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Honorable Russell Young, Monroe County Judge/Executive
Members of the Monroe County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Monroe County, Kentucky, as of and for the year ended June 30, 1999, and have issued our report thereon dated March 9, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Monroe County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Monroe County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

Honorable Russell Young, Monroe County Judge/Executive
Members of the Monroe County Fiscal Court
Report On Compliance And On Internal Control Over
Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
March 9, 2000

**CERTIFICATION OF COMPLIANCE – LOCAL
GOVERNMENT ECONOMIC ASSISTANCE PROGRAM**

MONROE COUNTY FISCAL COURT

Fiscal Year Ended June 30, 1999

Appendix A

CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM
MONROE COUNTY FISCAL COURT

The Monroe County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes



Name
County Judge/Executive



Name
County Treasurer